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2006-144-E

May 19, 2006

VIA ELECTRONIC MAIL and HAND-DELIVERY

Charles L.A. Terreni
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Emergency Joint Petition of South Carolina Electric & Gas Company and South Carolina Pipeline Corporation for Authority to Continue SCPC's Natural Gas Hedging Program on a Limited Basis for the Purpose of Assigning all Rights, Privileges, Obligations, Gains, Losses, and Costs to SCE&G

Dear Mr. Terreni,

The purpose of this letter is to acknowledge that the Office of Regulatory Staff ("ORS") has reviewed the above referenced joint petition filed by South Carolina Electric and Gas Company ("SCE&G") and South Carolina Pipeline Corporation ("SCPC") regarding the continuance and treatment of SCPC's hedging program on SCE&G's behalf. ORS has met with representatives from both companies concerning this matter. ORS does not oppose the companies' request.

Thank you for the opportunity to provide our comments in this matter.

Sincerely,

John W. Flitter

JWF/swh

cc: Dan F. Arnett, Chief of Staff, SC ORS (via electronic delivery)
Florence P. Belser, General Counsel, SC ORS (via electronic delivery)
Nannette S. Edwards, Deputy General Counsel, SC ORS (via electronic delivery)
Wendy B. Cartledge, Staff Attorney, SC ORS (via electronic delivery)
C. Dukes Scott, Director, ORS (via electronic delivery)
K. Chad Burgess, Esquire (via electronic delivery)
Kenneth R. Jackson, SCE&G (via electronic delivery)
Catherine D. Taylor, Esquire (via electronic delivery)
George Fasano, SCPC (via electronic delivery)
Mitchell Willoughby, Esquire (via electronic delivery)